

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: DAVID SARGENT)
A/K/A SMOOTH D. STYLES, JR.)
D/B/A THE ELITE CONSTRUCTION GROUP)
his partners, officers and directors, agents)
employees, affiliates, successors and assigns.)

FILE NO. 1000070

ORDER OF PROHIBITION

**TO RESPONDENT: DAVID SARGENT
A/K/A SMOOTH D. STYLES, JR.
D/B/A THE ELITE CONSTRUCTION GROUP
18361 Clyde
Lansing, Illinois 60438
And
2158 45th Street
Suite 204
Highland, Indiana 46322**

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on April 13, 2011 which prohibited DAVID SARGENT, A/K/A SMOOTH D. STYLES, JR. D/B/A THE ELITE CONSTRUCTION GROUP his partners, officers and directors, agents, employees, affiliates, successors and assigns ("Respondent") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

Order of Prohibition

-2-

1. Respondent David Sargent (a/k/a Smooth D. Styles, Jr. and d/b/a The Elite Construction Group) (at times hereinafter "Styles" or "Respondent") has last known addresses of 18361 Clyde, Lansing, Illinois 60438, and 2158 45th Street, Suite 204, Highland, Indiana, 46322.
2. In February 2008 Respondent Sargent offered at least one Illinois resident ("Investor") the opportunity to invest \$25,000 in "property deals" which would involve the acquisition, rehabilitation and re-sale of real estate.
3. On March 27, 2008 Investor and Respondent entered into a written contract which provided, *inter alia*, that Investor would place \$25,000 with Respondent who, within 60 days, would return to Investor "100% on the initial investment which is Twenty Five Thousand Dollars (\$25,000.00)".
4. Investor tendered to Respondent a \$25,000 check which was subsequently endorsed by Respondent, and successfully negotiated into Respondent's checking account.
5. The activities described above in paragraphs 2-4 constitute the offer and sale of an investment contract and are therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

FRAUD IN SALE OF SECURITIES

6. Respondent failed to pay Investor any of the principal or interest due on the investment contract.
7. Respondent failed and refused to notify Investor of the risk involved in the purchase of the investment contract that could result in the loss of the \$25,000 paid by the Investor.
8. Respondent represented to Investor that Respondent was the owner of certain real estate in Indiana which would be "warranty deeded over to the above mentioned investor if for some reason this contract has to be termed null and void".
9. In fact, Respondent Sargent was not the owner of the Indiana real estate, and accordingly could not lawfully convey it to Investor under any circumstances.
10. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof".
11. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to obtain money or property through the sale of securities by

Order of Prohibition

-3-

means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading”.

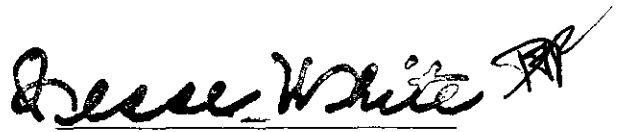
12. Section 12.I of the Act provides, inter alia, that it shall be a violation of the Act for any person, “to employ any device, scheme or artifice, to defraud in connection with the sale or purchase of any security, directly or indirectly”.
13. By virtue of the foregoing, Respondent violated Sections 12.F, 12.G and 12.I of the Act and will violate them again if he makes further offers, or if he makes any sales of investment contracts or other securities described above in the State of Illinois.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **DAVID SARGENT, A/K/A SMOOTH D. STYLES, JR. D/B/A THE ELITE CONSTRUCTION GROUP** his partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Dated: This 27th day of May 2011.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
James J. Tierney
Illinois Securities Department
69 West Washington Street
Chicago, Illinois 60602
312-793-9650